

Message Text

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ACTION ARA-10

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SIL-01 LAB-04 COME-00 OMB-01 /072 W

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C O N F I D E N T I A L PANAMA 1459

EO 11652: GDS

TAGS: PINT, PN

SUBJECT: VICE PRESIDENT SEES SOLUTION TO EXILE PROBLEM SHORTLY

REF: PANAMA 1399

1. BEGIN SUMMARY: SERIES OF THREE MEETINGS OF GOP OFFICIALS AND PRIVATE SECTOR, PRIMARILY REPRESENTED BY NATIONAL COUNCIL OF PRIVATE ENTERPRISE (CONEP), CONCLUDED EVENING OF FEBRUARY 25 ON CONCILIATORY NOTE. AT PRESS CONFERENCE FOLLOWING MEETING, VICE PRESIDENT GONZALEZ INDICATED PURPOSES OF MEETINGS HAD BEEN MET, PROMISED ROLE FOR CONEP IN CONSULTATIONS ON PROPOSED LEGISLATION, AND INDICATED A SOLUTION TO EXILE PROBLEM WOULD COME SHORTLY. CONEP PRESIDENT AMADO CALLED FOR FORMATION OF SERIES OF ADVISORY COMMISSIONS TO INSURE CONTINUING PRIVATE SECTOR INPUT INTO POLICY-MAKING PROCESS. REACTION OF BUSINESS COMMUNITY TO MEETINGS APPEARS TO BE GENERALLY POSITIVE, AND EXPECTATIONS THAT AT LEAST SOME OF EXILES WILL BE PERMITTED TO RETURN DURING CARNIVAL PERIOD ARE RISING. END SUMMARY.

2. CURRENT SERIES OF GOP-CONEP MEETINGS ENDED FEBRUARY 25 WITHOUT ISSUANCE OF A COMMUNIQUE. IT WAS ANNOUNCED, HOWEVER, THAT DOCU-
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MENTATION PERTAINING TO SESSIONS WOULD BE MADE PUBLIC IN NEXT FEW

DAYS. IN SUBSEQUENT MEETING WITH PRESS, VICE PRESIDENT GONZALEZ REPORTEDLY STATED THAT 1) PURPOSES OF MEETINGS HAD BEEN MET; 2) CONEP WOULD BE USED IN COORDINATING ROLE BETWEEN LEGISLATIVE COMMISSION AND INTERESTED SECTORS OF THE ECONOMY TO PROVIDE CONSULTATIONS ON PROPOSED LEGISLATION; 3) PRIVATE SECTOR AGREES WITH SOCIAL CHANGES WHICH NATIONAL GOVERNMENT IS PROMOTING AND IS PREPARED TO PARTICIPATE ACTIVELY IN CONSTRUCTIVE WORK THE COUNTRY REQUIRES; AND 4) A SOLUTION TO EXILE PROBLEMS COULD COME SHORTLY, SINCE GROUP WAS EXPELLED, NOT EXPATRIATED, AND ONLY TEMPORARILY, AND WHEN CLIMATE OF TRANQUILITY IS RIGHT THEY WILL BE ABLE TO "INCORPORATE THEMSELVES INTO PRODUCTIVE WORK." IN RESPONSE TO PRESS QUERY, GONZALEZ SAID THAT SUBJECT OF OFFICES OF PANAMANIAN ASSOCIATION OF BUSINESS EXECUTIVES (APEDE) HAD NOT BEEN RAISED AT MEETING (ORGANIZATION WAS EVICTED FROM ITS OFFICES AND HAD ITS PROPERTY IMPOUNDED IN LATE JANUARY; OFFICES REMAIN UNDER POLICE GUARD TO DATE). GONZALEZ WENT ON TO SAY THAT LOCALE WAS USED FOR POLITICAL ACTIVITIES APART FROM PURPOSES OF ORGANIZATION; NEVERTHELESS HE CONSIDERED THAT THIS PROBLEM WAS NOT INSOLUBLE.

3. PRESS REPORTS THAT CONEP PRESIDENT AMADO STRESSED THAT MEETINGS WERE ONLY A BEGINNING IN ATTEMPTS TO FIND SOLUTIONS TO NUMBER OF ECONOMIC, SOCIAL, AND POLITICAL PROBLEMS, INCLUDING THAT OF EXILES. BUT, HE INDICATE, THEY WERE A GOOD BEGINNING. HE RECOMMENDED CREATION OF A NUMBER OF ADVISORY COMMISSIONS FOR INDIVIDUAL MINISTRIES AND GOVERNMENT AGENCIES TO FACILITATE CONTINUING GOVERNMENT-PRIVATE ENTERPRISE COMMUNICATION. WHEN ASKED TO COMMENT ON ATTITUDE OF BUSINESS COMMUNITY TOWARD CANAL TREATY NEGOTIATIONS, AMADO STATED THAT CONEP REMAINED ABSOLUTELY BY THE SIDE OF THE GOVERNMENT. VICE PRESIDENT GONZALEZ REPORTEDLY COMMENTED THAT TALKS HAD DEMONSTRATED NOT ONLY SUPPORT OF PRIVATE SECTOR REPRESENTATIVES FOR GOP POSITION IN NEGOTIATIONS, BUT ALSO APPRECIATION FOR EFFECTIVENESS OF GOP NEGOTIATING EFFORT.

4. A PARTICIPANT IN PERIODIC BUSINESSMEN'S BREAKFASTS HOSTED BY PRESIDENT LAKAS REPORTS THAT AT FEBRUARY 26 EARLY-MORNING SESSION LAKAS REINFORCED SEVERAL OF THE POINTS REPORTED ABOVE. REGARDING THE EXILES, LAKAS SAID THAT THEIR RETURN COULD BE EXPECTED SHORTLY, PERMITTING THEM "TO TEND TO THEIR BUSINESSES AND LEAVE POLITICS TO US." HE ENDORSED IDEA OF FURTHER CONSULTATION WITH PRIVATE SECTOR ON CONFIDENTIAL

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NEW LEGISLATION, STATING THAT ONLY REALLY GOOD LAW PANAMA HAS IS BANKING LAW, WHICH BANKERS THEMSELVES HELPED DRAW UP. AND SPECIAL GUEST AT BREAKFAST MEETING, COMMERCE MINISTER SOSA, EXPOUNDED FURTHER ON PLANS FOR ADVISORY GROUPS TO KEEP GOP AND BUSINESS COMMUNITY IN CONTACT. SOSA ALSO EXPRESSED SYMPATHY FOR GROUP'S CONCERNS REGARDING LABOR CODE AND REITERATED PLANS TO "LEBERALIZE" REGULATIONS AND INTERPRETATIONS, WHILE RETAINING SACROSANCT CODE ITSELF INTACT. LAKAS REPORTEDLY COMMENTED THAT LABOR UNIONS WERE ON NOTICE TO

HOLD DOWN STRIKES DURING CURRENT YEAR OF ATTEMPTED ECONOMIC RECOVERY. FYI: WE UNDERSTAND THAT, WHILE NOT LEANING MASSIVELY ON UNIONS, LABOR MINISTRY HAS IN FACT CONSIDERABLY STEPPED UP ITS MANDATORY CONCILIATION ROLE, AND IS ACTIVELY ENCOURAGING BOTH LABOR AND MANAGEMENT TO SETTLE AT THIS STAGE RATHER THAN GO TO STRIKE. END FYI.

5. COMMENT: FIRST INDICATIONS FROM BUSINESS CONTACTS ARE THAT MEETINGS INDEED WERE A POSITIVE FIRST STEP TOWARD IMPROVING GOVERNMENT-PRIVATE SECTOR COMMUNICATIONS AND THAT THEY ENDED ON A FRIENDLY BASIS WITH REGARD TO INTERPERSONAL RELATIONSHIPS. ONE GOP CONTACT HAS INDICATED RESULTS MAY NOT HAVE BEEN GREETED WITH ENTHUSIASM ON PART OF ALL ELEMENTS OF GOVERNMENT. IT WOULD APPEAR THAT CONEP HAS ACHIEVED ACCEPTANCE OF POINT IT UNSUCCESSFULLY PUSHED A YEAR AGO, THAT CONSTITUTIONAL REQUIREMENT FOR CONSULTATIONS WITH INTERESTED SECTORS ON PROPOSED LEGISLATION WAS NOT BEING ADEQUATELY FULFILLED--A NOT INCONSEQUENTIAL VICTORY. RENEWED TALK OF ADVISORY COMMISSIONS RECALLS PROPOSALS FOR SIMILAR GROUPS WHICH WERE INCORPORATED IN GOP'S DECLARATION OF BOQUETE OF NOVEMBER 1974. IF GOVERNMENT HAD ADEQUATELY FOLLOWED-UP ON THIS PART OF ITS FIRST SERIOUS ATTEMPT TO ADDRESS PROBLEM OF THE APPROACHING ECONOMIC SLOWDOWN, IT MIGHT HAVE SAVED ITSELF AND THE ECONOMY SOME SERIOUS JOLTS. WITH REGARD TO EXILES, PRINCIPAL QUESTION REMAINING APPEARS TO BE DEFINITION OR WORD "SHORTLY." A CONSIDERABLE GROUP LOCALLY BELIEVE THAT IT MAY STILL MEAN BEFORE MARCH 3.

6. SUBSEQUENTLY TO DRAFTING OF ABOVE, EMBOFF WAS INFORMED BY A BUSINESS ASSOCIATE OF AMADO THAT AMADO IS MEETING WITH GENERAL TORRIJOS AND OTHER GOP OFFICIALS THIS MORNING, FEBRUARY 27, REGARDING QUESTION OF EXILES. THIS ASSOCIATE BELIEVES DECISION HAS BEEN MADE TO PERMIT RETURN OF SOME OF EXILES FEBRUARY 29.

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